

Market Outlook 2019

Private Residential Sales

| Indicators | 2018 | Projection for 2019 |
|------------------------------------|--------|---------------------|
| Overall | | |
| Price growth (URA price index) | 7.9% | 1% to 3% |
| Sales volume (landed & non-landed) | 22,139 | 19,000 to 22,000 |
| New sale | | |
| Non-landed price | 10.7% | 1% to 4% |
| Sales volume | 8,795 | 9,000 to 10,000 |
| Launched units | 8,769 | 12,000 to 14,000 |
| Resale | | |
| Non-landed price | 2.7% | 1% to 2% |
| Sales volume | 13,344 | 9,000 to 10,000 |

Source: URA, URA Realis, SRX, OrangeTee & Tie Research & Consultancy
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New home sales may pick up this year as more than 60 projects could be launched in the coming months. Historically, a ramp up in housing supply and marketing activities usually spurs buying interest.

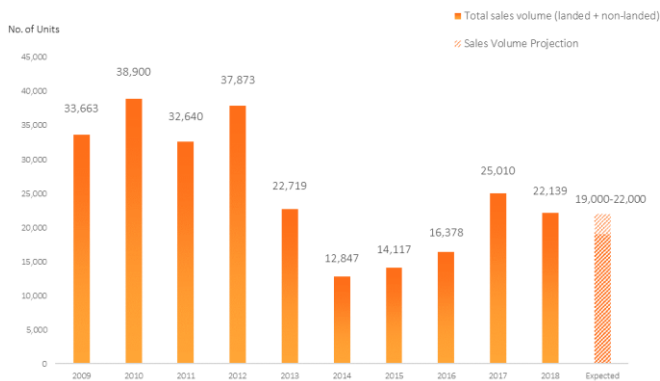
While more than 19,000 new homes may be launch ready, the actual number of launched units could be around 12,000 - 14,000 units (Chart 3). As new home supply is expected to dip drastically from mid-2020 in tandem with the slow down of the collective sales market last year, developers are likely to spread their stock to be sold over the next two years.

Spring is here and it will be a busy home buying and selling season once again. While the property market had seen slower sales last year due to the cooling measures introduced in July, overall homes sales (landed and non-landed excluding ECs – executive condominiums) may remain robust at around 19,000 – 22,000 units this year (Chart 1).

Due to the substantial pipeline supply of private homes and uncertainty surrounding US-China trade tensions, we expect price growth for the overall market to slow down to between 1 and 3 per cent (Chart 2). New homes prices may rise further by 1 and 4 per cent as the land price of some projects are relatively quite high. Resale home prices may remain flat or rise marginally in tandem with new sales by 1 and 2 per cent this year (Chart 4).

Chart 1 Projection for overall private residential market

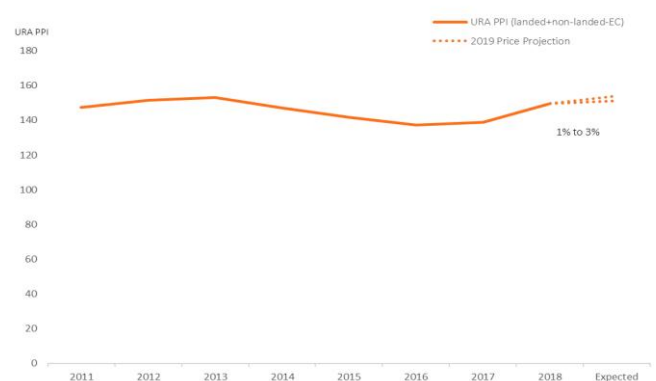
Sales volume for landed and non-landed homes



Source: URA, OrangeTee & Tie Research & Consultancy
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Chart 2 Projection for overall residential home price

URA price index



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Chart 3 Projection for new sales market

Launched units, sold units and average price of non-landed new sales

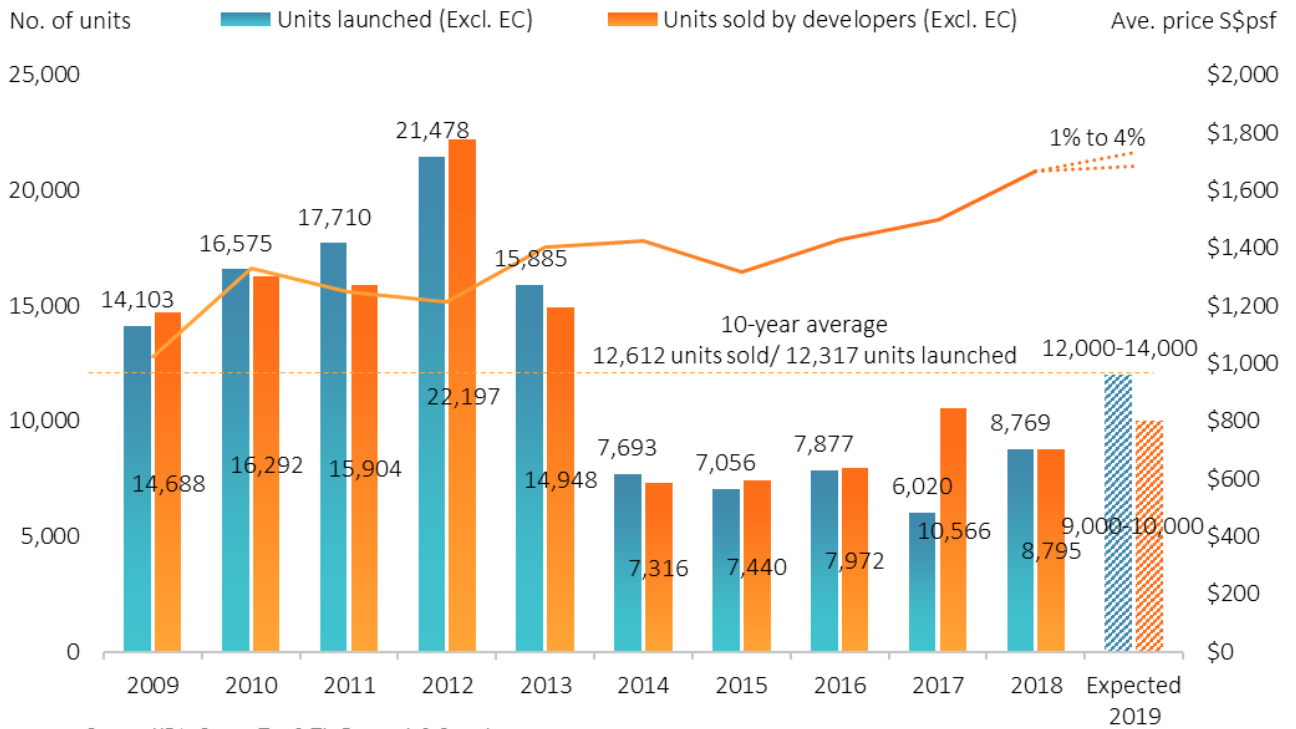
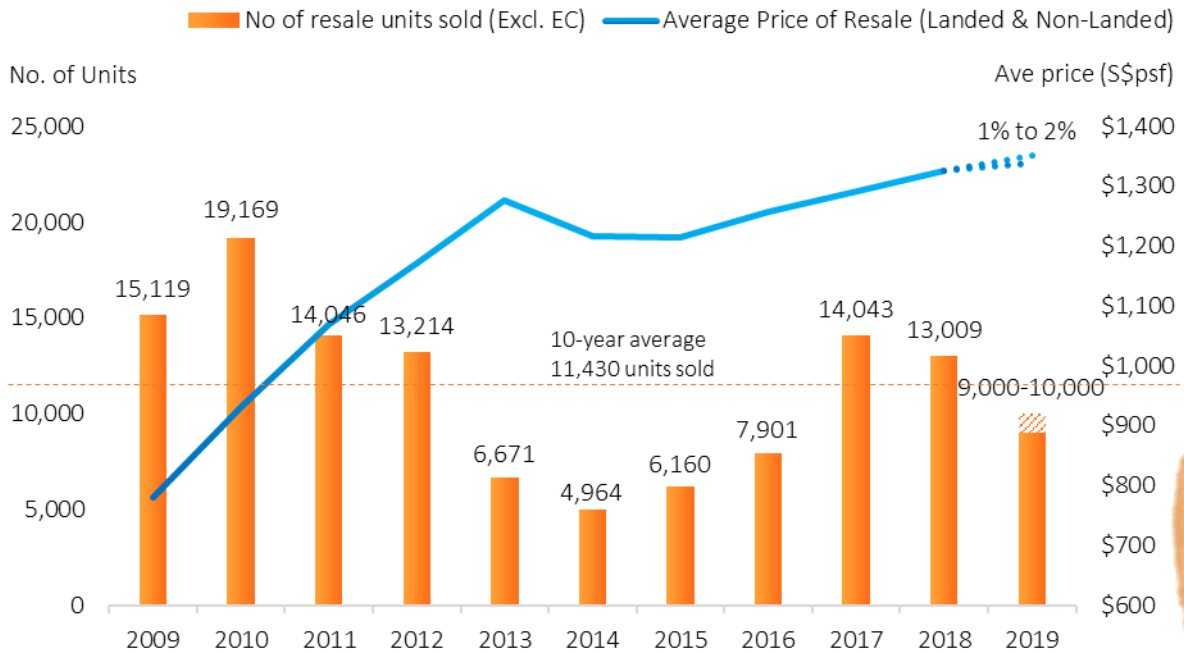


Chart 4 Projection for resale market

Sold units and average price of non-landed resales



Private Residential Rentals

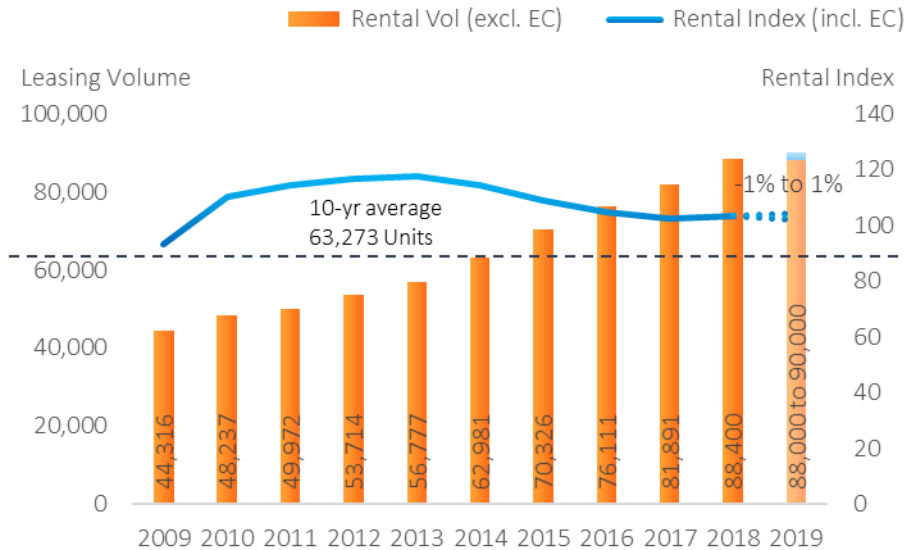
| Indicators | 2018 | Projection for 2019 |
|----------------------|--------|---------------------|
| Rental | | |
| Rental Index | 0.6% | -1% to 1% |
| Leasing volume | 88,400 | 88,000 to 90,000 |
| Completions of homes | 9,112 | 8,926 |

Source: URA, URA Realis, SRX, OrangeTee & Tie Research & Consultancy
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According to URA, the expected completions (excluding ECs) dipped from 10,119 units as of Q3 2018 to 8,926 as of Q4 2018 (Chart 6), indicating that some projects were completed earlier than expected. As the number of completions this year is expected to dip 2 per cent this year and the number of completions will likely reach a fresh low next year, rents are expected to remain robust at the current level, trending possibly between -1 and 1 per cent this year. Leasing demand is expected to strengthen further this year after reaching a ten-year high in 2018 with 88,400 leasing transactions (Chart 5).

Chart 5 Projection for rental market

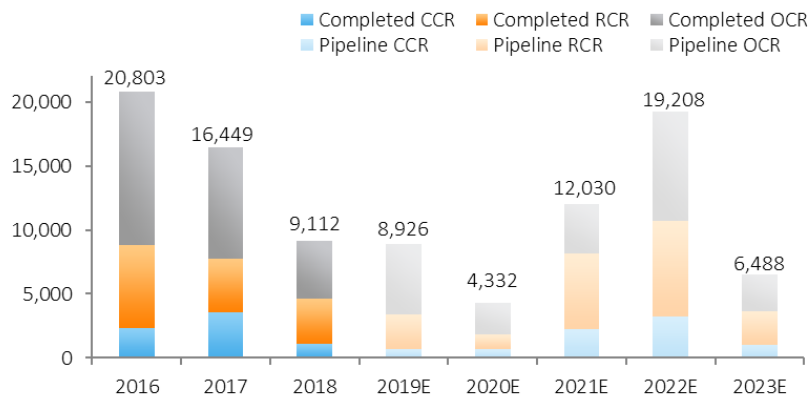
Rental volume (excluding EC) and rental index (including EC)



Source: URA, OrangeTee & Tie Research & Consultancy
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Chart 6 Expected completions as at Q4 2018

Number of private residential units (excluding EC)



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HDB Market

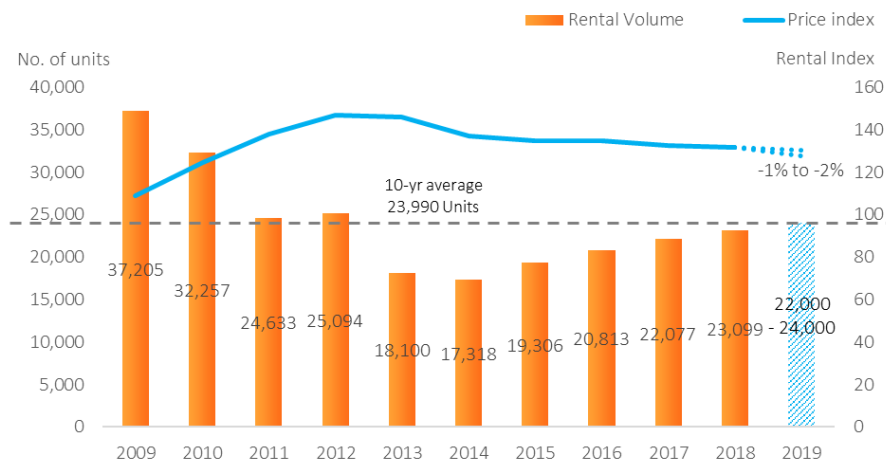
| Indicators | 2018 | Projection for 2019 |
|----------------|--------|---------------------|
| Resale | | |
| Price growth | -0.9% | -1% to -2% |
| Sales volume | 23,099 | 22,000 to 24,000 |
| Rental | | |
| Rents | -0.3% | -1% to -3% |
| Leasing volume | 46,440 | 46,000 to 48,000 |

Source: HDB, OrangeTee & Tie Research & Consultancy
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Demand for HDB resale flats is expected to remain resilient this year. We estimate that the number of resale transactions may reach between 22,000 and 24,000 units this year, after inking 23,099 resales last year which is a high since 2012 (Chart 7). New hotpots in Sengkang, Punggol and Yishun may emerge this year as many flats will be reaching their five-year Minimum Occupation Period (MOP) this year (Chart 10).

Demand may be supply-led as more than 26,000 HDB flats may be put up in the resale market after reaching MOP this year. Another 50,000 flats will reach MOP in 2020-2021 (Chart 9). The increased supply of new flats may attract more buyers as some of these resale flats are well-located in mature estates or are built with new design concepts in the non-mature estates.

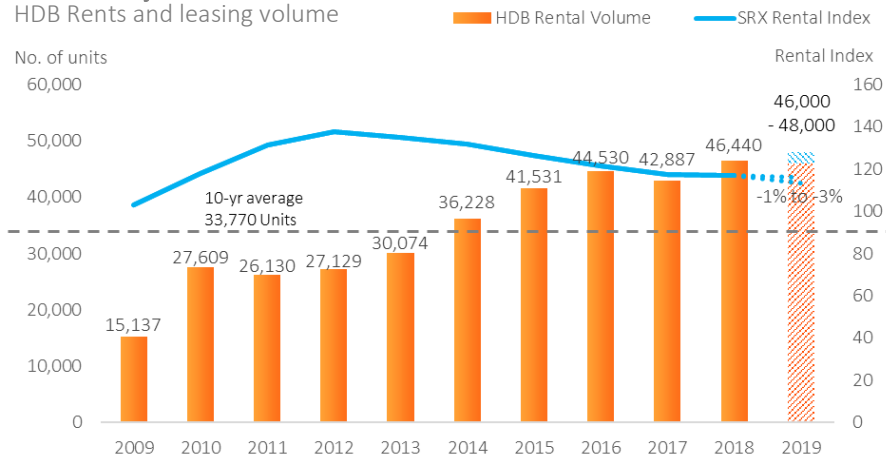
Price weakness may continue to affect some segments especially smaller and older flats that are adversely affected by the increased supply of flats reaching MOP, lease decay issue and increased competition from HDB offering unsold new flats on a 'rolling basis'. Resale prices may slide further by 1 to 2 per cent this year. Rents may correspondingly decline by 1 to 3 per cent (Chart 8).



Source: HDB, SRX, OrangeTee & Tie Research & Consultancy
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Chart 8 Projection for HDB rental market

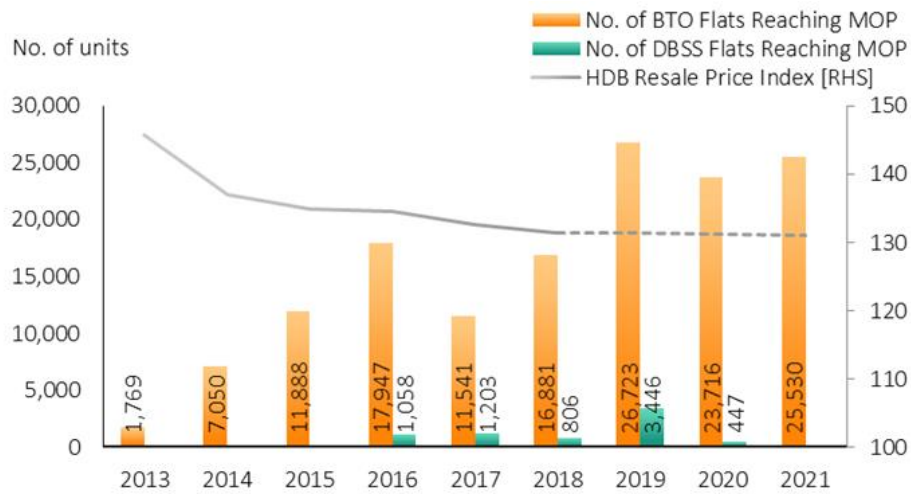
HDB Rents and leasing volume



Source: HDB, SRX, OrangeTee & Tie Research & Consultancy
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Chart 9 Growing number of flats reaching MOP

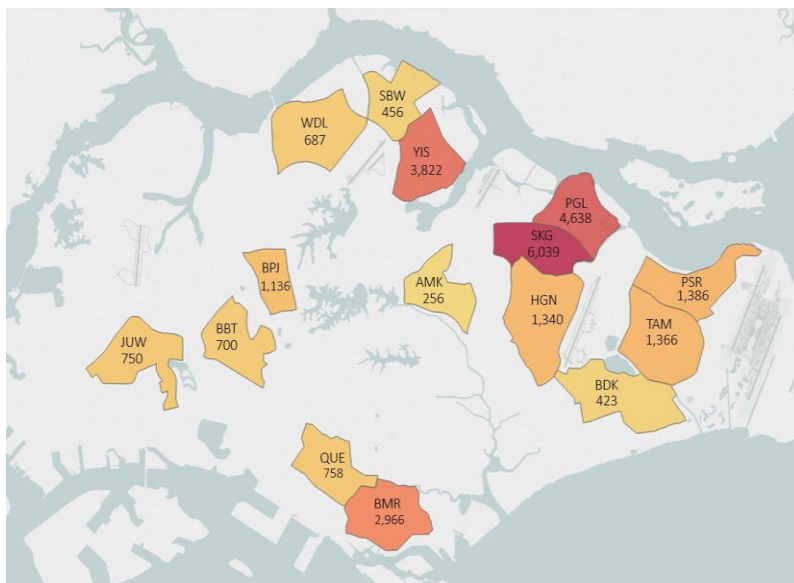
Number of BTO & DBSS flats reaching MOP



Source: URA, OrangeTee & Tie Research & Consultancy
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Chart 10 Towns likely to see more resale transactions in 2019

Estimated number of HDB resale flats reaching MOP in 2019



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| Town | Abbreviation | Estimated no. of BTO flats reaching MOP | Estimated no. of DBSS flats reaching MOP |
|---------------|--------------|---|--|
| Sengkang | SKG | 6,039 | 0 |
| Punggol | PGL | 4,638 | 0 |
| Yishun | YIS | 3,822 | 0 |
| Bukit Merah | BMR | 2,966 | 0 |
| Pasir Ris | PSR | 1,386 | 0 |
| Tampines | TAM | 1,366 | 708 |
| Hougang | HGN | 1,340 | 680 |
| Bukit Panjang | BPJ | 1,136 | 0 |
| Queenstown | QUE | 758 | 0 |
| Jurong West | JUW | 750 | 682 |
| Bukit Batok | BBT | 700 | 0 |
| Woodlands | WDL | 687 | 0 |
| Sembawang | SBW | 456 | 0 |
| Bedok | BDK | 423 | 488 |
| Ang Mo Kio | AMK | 256 | 0 |
| Clementi | CLE | 0 | 888 |
| Total | | 26,723 | 3,446 |

Source: HDB, OrangeTee & Tie Research & Consultancy
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